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Business Ethics in Africa: The Role of Institutional Context, Social Relevance, and Development Challenges

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Abstract

Business ethics in Africa, as a field of research, practice, and teaching, has grown rapidly over the last two decades or so, covering a wide variety of topical issues, including corporate social responsibility, governance, and social entrepreneurship. Building on this progress, and to further advance the field, this special issue addresses four broad areas that cover important, under-researched or newly emerging phenomena in Africa: culture, ethics and leadership; business, society and institutions; corruption, anti-corruption and governance; and philanthropy, social entrepreneurship and impact investing. In addition to advancing research by addressing some of the imbalances and gaps in the extant literature, this special issue draws attention to indigenous African theories, models and firms. Some challenges facing business ethics, as a field of practice and teaching in Africa, are also highlighted. The paper concludes with a summary of the eight articles in this special issue.

Keywords:

Africa; Cross-Cultural Ethics; Ethical Leadership; Corporate Social Responsibility; Anti-Corruption; Philanthropy; Social Entrepreneurship; Impact Investing.

Introduction

Business ethics in Africa — as a field of research, practice, and teaching — has grown substantially over the last two decades or so (Rossouw, 2011; Kolk and Rivera-Santos, 2018). As a field of research, Africa's alternative paradigms of social relationships are receiving increasing attention as western-based theories of the firm have come under global scrutiny (Barnard et al. 2017; Hamann et al. 2020). Ubuntu, in particular, with its strong humanistic orientation, has gained attention in mainstream business ethics and management outlets (see, for example, Woermann and Engelbrecht, 2019; West, 2014; Rivera-Santos et al. 2012; Lutz, 2009). A burgeoning literature in the broad areas of ethics, corporate social responsibility (CSR), governance, environmental management and sustainability is emerging, with business and society-related articles dominating the literature on African business and management. In Kolk and Rivera-Santos's (2018) comprehensive review of Africa-focused articles in mainstream business and management outlets between 2010 and 2014, 33 articles were published in the *Journal of Business Ethics* alone (about a quarter of the total articles reviewed), with another 18 in other business and society journals. At the regional level, the *African Journal of Business Ethics*, the official journal of the Business Ethics Network of Africa (BEN-Africa), has been published since 2006.

As a field of practice, business ethics in Africa is advancing. In South Africa, for instance, the publication of the King Reports on Corporate Governance since 1994, in conjunction with the Institute of Directors in Southern Africa (IoDSA), has played a significant role in institutionalising an ethical business culture there (Rossouw, 2017). In Nigeria, The Convention on Business Integrity, which was established in 1997, now has many prominent industry players as signatories, making a commitment to good governance, leadership and ethics. Business ethics is now taught on academic programmes in many business schools and universities. Rossouw's (2011) survey identified about 150 modules in which business ethics was being taught in academic institutions in the region, with the four broad content areas: theoretical foundations of business ethics; macro-economic and systemic challenges; corporate responsibility; and, ethical management and leadership.

These advances in business ethics research, practice, and teaching in Africa should not be surprising for at least two reasons. First, with past corruption, governance abuses, and institutional misalignments affecting capital outflows (Barnard and Luiz, 2018) and socio-economic outcomes, business ethics now features heavily on the business and political agenda in many African countries, as society and stakeholders increasingly demand change and accountability. Second, Africa is now regarded as the world's last frontier market, with domestic and regional players competing with emerging market multinationals and Western multinationals in a dynamic business landscape (Adeleye et al. 2015). As a result, businesses are under increasing local and global scrutiny, with government agencies, civil society organisations, and the public applying varying degrees of pressure. These factors, as well as the distinctively communal philosophy and ethics that characterise traditional African cultures, position the continent to make unique contributions to the broader business ethics and management literature.

A word of caveat is in order here for those that are not familiar with the African context: Africa is not a homogeneous entity. Africa's 1.3 billion people live in 55 countries spread out across five sub-regions (i.e. Central, Eastern, Northern, Southern and Western Africa), and belong to about 2,000 ethno-linguistic groups. The continent is characterised by multiple diversities in terms of level of economic development, the state of political development, cultural and ethnic groupings, religious affiliations, and legacies of European colonisation. Any generalisations about Africa must therefore be qualified, even though there are some discernible similarities across many countries. The rest of this paper is organised into five main sections addressing important, under-researched or newly emerging phenomena in Africa: Culture, Ethics, and Leadership; Business, Society, and Institutions; Corruption, Anti-Corruption, and Governance; Philanthropy, Social Entrepreneurship, and Impact Investing. The fifth section provides a summary of the eight papers in this special issue, after which we offer brief concluding remarks.

African Culture, Ethics, and Leadership

It is difficult for managers to increase their effectiveness when they are taught management theories that contradict their cultures...When the firm is understood as a community, the purpose of management is neither to benefit one collection of individuals, as shareholder-value-maximisation theories claim, nor to benefit several collections of individuals, as stakeholder theories tell us, but to benefit the community, as well as the larger communities of which it is a part. In most African business schools, the doctrine that 'the defining purpose of business is maximizing owner value over the long term by selling goods or services' (Sternberg, 2000: 32) is assumed as axiomatic. In addition to being unethical, this doctrine contradicts African cultures. (Lutz, 2009, p. 318)

The gap between business ethics theory and practice in the classroom appears particularly problematic in the African context, as the quote above illustrates, and raises several pertinent questions around how African ethics might differ from Western or Asian ethics, and the role of culture in cultivating ethical leadership.

African Ethics and Culture

Ubuntu, Indaba, and Kgotla. There is now a growing body of literature on African indigenous philosophy and ethics across multiple disciplines, including: business ethics, leadership and organisational behaviour, cross-cultural management and cultural political economy (Metz, 2018; Edozie, 2017; Amaeshi and Idemudia, 2015; West, 2014; Newenham-Kahindi, 2009; Lutz, 2009). Many of these studies seek to provide a theory or framework of management or leadership that is consistent with traditional African values, and well-suited to communal societies. Barnard et al. (2017), for example, make a compelling case that Africa offers a promising context to develop new management and organization theories, with its unique socio-cultural, institutional, and environmental realities providing an alternative perspective to existing theories

of the firm. What would such new theories look like? Researchers can draw inspiration, for instance, from *Kgotla*, with its emphasis on community-based relationships, or *Ubuntu*'s humanising view of relationships, to develop theories of the firm that prioritise sustainability and 'creating shared value'. Just like Scandinavia's effective company-stakeholder cooperation, 'Scandinavian Cooperative Advantage', has made important contributions to the theory and practice of stakeholder management in the fields of strategic management and business ethics (Strand and Freeman, 2015), Africa's alternative paradigms of social relationships can provide new theoretical perspectives that embed ethics, social responsibility, and sustainability.

Originating from Southern Africa, *Ubuntu* — 'I am, because we are; and since we are, therefore I am' — is characterised as a communitarian ethic that emphasizes virtues such as compassion, caring, sharing, harmony, and inclusiveness, and seeks to promote the common good (Woermann and Engelbrecht, 2019; West, 2014; Lutz, 2009). There have been heated debates on the defining characteristics of the concept, and its theoretical sophistication and grounding. This raises a pertinent question: Is there empirical justification for *Ubuntu*? In other words, do Africans actually embrace and practice *Ubuntu* in the workplace? Empirical evidence from the scant literature appears mixed. The Global Leadership and Organizational Behaviour Effectiveness (GLOBE) research project, which included samples from Nigeria, Namibia, Zambia, Zimbabwe, and South Africa, found that:

...A common cultural characteristic, Ubuntu, was reflected in high levels of group solidarity, paternalistic leadership, and humane oriented leadership. Although the negative legacy of colonial dominance has contributed to a culture of corruption, poverty, tribalism and violence, charismatic leaders frequently invoke indigenous cultural values and means to overcome these problems. (Wanasika et al. 2011, p. 234)

Conversely, a recent study investigating the extent to which either ‘global capitalism’ or ‘Africa’s *Ubuntu* ethics’ influenced managers’ corporate social and environmental attitude in the Nigerian extractive industry concludes that:

Environmental orientation and behaviour are mostly induced by instrumental economic motives, while ethical considerations exert a weak impact. This finding is significant because it contradicts mainstream corporate social responsibility (CSR) literature in Africa, which suggests the dominance of the culturally based, altruistic African Ubuntu philosophy. (Okereke et al. 2018, p. 577).

This finding highlights the criticism that African Ubuntu ethics may be more useful as a philosophy or theory, and less relevant to ethical business practice in organizations. In other words, the feasibility of implementing Ubuntu-based approaches to leadership, people management, stakeholder management, and business model implementation, is questioned:

The practical implementation of an Ubuntu approach promises a variety of challenges. The first problem is that engaging with employees (and other relationholders) takes time. If wage negotiations in South Africa provide any indication, or even the performance appraisal process in large corporations, it is possible that an inclusive strategy process may be drawn out and frustrating and that reaching sufficient consensus would be particularly difficult...A second challenge with the Ubuntu approach is determining how to distribute wealth on the basis of need, as opposed to individual rights. (Woermann and Engelbrecht, 2019, p. 42)

Essentially, this argument is based on the notion that Ubuntu may not be well-suited to modern, complex organizations in an increasingly competitive and globalised world. If advocacy for Ubuntu and African communitarian ethics is to go beyond aspirational rhetoric, more studies are needed to improve our

understanding of the (successful) adoption and execution of Ubuntu in complex, modern organizations. What are the key issues, opportunities and challenges in adopting indigenous African approaches, and how can this contribute to the global management literature? This theme is pursued by Perezts, Russon, and Painter (this issue) who utilise the Ubuntu perspective to develop a values-driven leadership approach.

Cultivating Ethical Leadership in Africa

Is there a compelling business case for ethical leadership in African contexts? A recent empirical study in Nigeria by Babalola et al. (2018) found support for the applicability and generalisability of an ethical leadership construct, and concludes that ethical leadership can be as effective in an African context as it is in Western countries. These findings are important because of the notion in some academic and professional circles that in countries with higher corruption rates leaders embracing ethical leadership might not be effective (Quade et al. 2017). In a similar vein, several questions remain on the usefulness and relevance of ethical leadership in a context like Africa (West, 2014; Kuada, 2010). Does ethical leadership enhance leadership effectiveness? Does it lead to better employee outcomes, and drive organizational performance? What are the boundary conditions of ethical leadership? These are important questions that definitely warrant empirical investigation. On a more fundamental note, we need to (better) understand what ethical leadership means in different African contexts, as what constitutes ethical and unethical leadership tends to differ considerably across cultures and countries (Resick et al. 2011).

From research and practice perspectives, it is critical to ascertain how ethical leadership can be cultivated in Africa and this is examined in the paper by Adewale (this issue). While anecdotal evidence and common sense might point to 'leading by example', research evidence suggests that there are situations when being an ethical leader could be less effective in promoting ethical behaviour in employees or subordinates. Babalola et al.'s (2019) study, for example, finds that when ethical leaders are perceived as having a stronger ethical conviction, it may have an adverse effect as their followers will feel less control over their

actions and may not have opportunities to express their ethical voice. In a similar vein, Quade et al. (2017) find that if ethical leaders that are perceived to be too ethical, it might frustrate their followers who might think that their leader's ethical convictions would make their job duties more difficult to perform; they therefore advise that leaders should strike the right balance between advocating for ethical behaviour and empowering employees with the necessary resources to meet ethical standards. Empirical studies investigating this phenomenon, and how to manage such situations, are therefore needed.

Business, Society, and Institutions in Africa

Africa has a long checkered history of colonialism, bad governance, and poverty...The crisis of 'development' in Africa and the failure of either the state or the market to deliver has in recent years led to a call for better collaboration and partnership among the state, business, and civil society, if developmental challenges in the region are to be addressed.
(Amaeshi and Idemudia, 2015, p. 211)

In the main, the business and society literature has over the years trailed the tension between the pursuit of profit by businesses and entrepreneurs, on the one hand, and the pursuit of social harmony by governments and non-for-profit organisations, on the other hand. Arguably, one of the main agendas of this field is to orchestrate a balance between profit and societal well-being, broadly articulated. As such, the business and society literature has also over the years tracked different emerging issues along the way — from philanthropy, to corporate citizenship, corporate political activity, and more recently the sustainable development goals. The fundamental idea behind this literature is a strong attempt to align business and society interests, which often times appear divergent, and to encourage partnerships to tackle societal challenges, as the quote at the head of this section posits. To achieve this alignment, businesses are co-opted into governance through CSR, as a form of self-regulation. This is so because public governance or

regulation is dynamic and often incomplete. In that regard, CSR becomes a private governance mechanism (Crouch, 2006) for corporate externalities whether positive or negative (Graham and Woods, 2006). An interesting extension to these debates is provided by Aju and Beddewela (this issue) on employee engagement and CSR (also see Amaeshi et al. 2015).

CSR in Challenging Institutional Contexts

Different countries and regions of the world have pursued the CSR agenda from different perspectives due to differences in national cultures and institutional arrangements. This trend has given rise to the body of work on comparative CSR and the comparative political economy of business and society. This literature works from the view that in some instances, the configuration of national cultures and institutions, supports a thriving CSR practice, as self-regulation, in other instances, it inhibits the practice. Matten and Moon (2008)'s theory of explicit and implicit CSR, as a way to explain the difference between CSR in North America (explicit CSR) and Europe (implicit CSR), is a major contribution to this literature. Since then, the regional approach to understanding business and society relationship, including in Africa, has gained more traction and has continued to flourish.

Arguably, large parts of Africa are characterised by weak institutions (Ahen and Amankwah-Amoah, 2018; Amaeshi et al. 2016; Luiz et al. 2019). They are weak institutions because they lack the essential elements of strong institutional and good governance contexts: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann et al. 2008). Many African countries tend to rank low on these criteria, which makes the practice of CSR as a form of self-regulation difficult in Africa. In such situations, there are often limited incentives for firms to unilaterally obey the law, pay living wages, abide by high ethical standards and corporate governance, offer high quality customer services, and voluntarily reduce their negative impacts on stakeholders, especially if other firms in the same environment that do not do any of these yet declare large profits. In such situations,

it would appear that ethics and responsible business practices are a luxury, and the incentives to engage in them would be very low – thereby leading to a fragmented two-tier market system. Given this probable disincentive to act responsibly, it becomes counter-intuitive to expect firms to act responsibly in such ‘adverse’ situations; and raises a pertinent question: How can firms that still want to be responsible compete in such environments?

While these questions are paradoxical, the business and society in Africa literature, in particular, does not yet offer clear answers to them. One of the possible explanations for this lack of clarity could be the quest to understand business and society in Africa from western worldviews, epistemologies, and methodologies (Amaeshi and Idemudia, 2015). While the western perspectives of business and society might offer some insights, it is worth recognising that they embody their own sensibilities and understanding of how society needs to be structured. A particular manifestation of this worldview is the seeming division of labour in society between the state (government) on one hand and the business and civil societies on the other hand. This dichotomy is fundamental to the post-Westphalian understanding of the nature and functions of the State and the neo-classical understanding of the nature and functions of business in society (Scherer, et al. 2013). While this division of labour may make sense in some institutional contexts with strong governments, respect for the rule of law, efficient and reliable judicial systems, vibrant civil societies, sophisticated markets with strong competition, and well-informed investors and consumers, etc. (see Campbell, 2007), it struggles in weak institutional contexts characterised by institutional voids (Amaeshi et al. 2016). For our purposes, we set aside the debate around the use of the term voids - please see Hamman et al. (2020), and Daniel et al. (2018) for a broader discussion.

To counterbalance this view, an emergent stream of scholarship has focused on CSR in institutional voids. It suggests that the governance function of CSR is grossly undermined in such contexts (Campbell, 2007; Amaeshi et al. 2016), although firms may choose to creatively engage in public responsibility and political CSR through corporate political activities (Scherer et al. 2014). The logic of this budding literature is that

CSR in developing economies requires better market institutions, and the implied conclusion seems to be that CSR would either not exist or would not be effective in developing economies, but would remain at the base level of corporate philanthropy (Amaeshi et al. 2006) on the CSR maturity continuum (Zadek, 2004).

Whilst acknowledging the macro institutional influences, organizational behaviour is also shaped from within and from below by the organizational culture, values and leadership. Herein, CSR becomes a business philosophy and a paradigm to evaluate the profit of businesses within the context of their externalities — both positive and negative. The conventional business paradigm is subtly being challenged by the corporate responsibility and sustainability paradigm.

Beyond CSR: Taking Corporate Political Responsibility Seriously

Given the possible macro- and micro-level institutional influences on CSR practices in developing economies, it is important to understand how multi-level influences interact to enable and/or constrain the role of firms as development agents, which currently suffers from a dire dearth of literature. This is where the corporate political activity (CPA) literature, as cross-level manifestations of CSR, needs to go beyond the firm-centric approach, which currently dominates the western framing of the practice, and re-examine the practice and its possible negative implications in weak institutional contexts.

CPA draws from the tradition that firm performance is a function of its institutional contexts, which are informed and shaped by influential politicians, politics, and policies (Mbalyohere and Lawton, 2018). As such, CPA involves a set of strategies through which the firm aligns with its business environment and or institutional context to enhance its performance. It is, therefore, in the interest of the firm to master, dominate, and in most cases influence these to enhance financial performance irrespective of the consequences of such strategies on society. Stretching this view, one can argue that power is at the heart of

the CPA strategies, and this power is expressed in the struggles and contestations between the firm and its institutional contexts. At least, this is how CPA strategies are used in developed economies with strong institutions.

However, in the African context, where the state may be weak, corrupt, or incompetent, there are concerns about the outsized influence of private sector players on the policy formulation and implementation processes, which may result in them taking advantage of weak institutional regimes through political rent-seeking, lobbying for lax environmental regulations, regulatory capture, etc. While such activities may be context-fitting and strategy-driven, are they ethically problematic? Do they violate principles of political equality? Are they morally permissible? These questions are addressed by Liedong, Aghanya, and Rajwani (this issue) in the context of corporate political activity in Nigeria.

Corruption, Anti-corruption, and Governance in Africa

Corruption is indeed one of the greatest evils of our time. Corruption rewards those who do not play by the rules and also creates a system of distortion and diversion thereby destroying all efforts at constructive, just and fair governance...It is true that our continent has witnessed sustained growth over the past two decades. Nonetheless, public confidence has been eroded by a focus on short-term priorities and payoffs, propelled by corruption, which too often leaves projects uncompleted and promises unfulfilled. (President Buhari of Nigeria, African Union, 2018)

Corruption and governance matter, especially in the context of an increasingly globalized world where this might be a significant location determinant for economic activity and investment. Unfortunately, many African countries are not winning the war on corruption. The 2017 Transparency International Corruption Perceptions Index (CPI) rankings show Sub-Saharan Africa (SSA) to have an average CPI score of 32.02

(0 being most corrupt; and 100 least corrupt), compared to a world average of 43.07. The index shows the region to be amongst the most corrupt in the world with an average ranking of 120 out of 180 countries captured in the survey. Whilst the CPI has flaws, and one can argue about what it captures, it is nonetheless indicative of a continent scarred by corruption.

The African Union has itself recognised the scourge and made the theme for 2018 ‘Winning the Fight Against Corruption: A Sustainable Path to Africa’s Transformation’. President Buhari of Nigeria was entrusted to be the champion of the theme, and excerpts from his remarks, at the head of this section, highlight both some of the causes and consequences of corruption. Besides the direct cost of paying bribes, there are the costs of bureaucratic delays associated with the coercing effects of corrupt officials, the costs of trying to circumvent corrupt interactions, the economic consequences in terms of lost output and investment, and most importantly the effects on the most vulnerable who are dependent on public services (Doh et al. 2003).

Corruption and the Colonial Legacy

A vast literature exists on the particularities of the causes of corruption in Africa (Apata, 2019; Agbiboa, 2012; Bach and Gazibo, 2012; Liedong, 2017), with scholars linking it to the post-colonial state’s lack of political accountability following independence from European powers (see Luiz, 2009; Chabal, 1994). Lacking legitimacy, the state attempted to ‘gain power over civil society through cooptation, clientelism, patrimonialism, and mass coercion’ (Luiz, 2009, p. 70). This resulted in the further weakening of state institutions and exacerbated conflict and instability associated with ethno-linguistic fractionalization, as poor public services became increasingly contested within polarized societies engaging in rent-seeking behaviour to reap a disparate share of the resources (Fedderke et al. 2001; Luiz, 2015). Recognising the institutional causes of corruption also points to one direction as to how corruption can be remedied. The transformations in Rwanda and Cabo Verde show that corruption can be addressed through sustained

processes of institution building and demonstrated leadership commitment to anti-corruption efforts. Countries in Africa that have been most successful in curbing corruption have made fiscal transparency and political accountability central to their efforts, as we have seen in Botswana, Mauritius, and Namibia.

An interesting perspective is provided by De Sardan (1999) on how this postcolonial legacy has institutionalised conflicting logics. African countries have inherited an administrative system copied from the European model but this has resulted in contradictions with the local underlying socially embedded logics of ‘negotiation, gift-giving, solidarity, predatory authority and redistributive accumulation’ (p. 25). This results in civil servants finding themselves in schizophrenic situations where their training is derived from European administration but their social legitimacy implies acting in conformity with the underlying socio-cultural logics (p. 48). He warns that any anti-corruption policy must face up to these realities and needs to recognise these underlying tensions embedded in an institutional framework, which inadequately resolves these contradictory institutional logics. The sad irony is that research demonstrates that bribery hurts well-being, irrespective of whether the individual is a victim or recipient (Sulemana et al. 2017).

Choice-Within-Constraints: From ‘Institution Takers’ to ‘Instigators’

Businesses often portray themselves as victims of corrupt environments associated with weak institutions but seldom reflect on how they contribute to these environments through their actions and how they can be part of both the problem and the solution. Doh et al. (2003) refer to four general organizational response strategies that are applicable regarding corruption at an operational level: avoid, alter, ally, and accede. But Luiz and Stewart (2014, p. 385) raise an interesting omission from this set of responses, namely ‘instigate’:

The literature assumes that corrupt environments emerge and then firms are faced with accession, opposition or avoidance but not that firms could actually be the primary instigators thereof and could adopt this as a strategy. Extending the public choice rent-seeking literature would imply that ... [enterprises (be they local or international)] would be willing to expend as much on corruption

as they expect to gain in surplus and the role of formal institutions would be to prevent firms from pursuing such avenues. Firms have the ability to influence institutions through their strategies both positively and negatively and this is oft overlooked. They are not neutral 'institution takers'.

A study of multinational enterprises internationalising into Africa (Luiz and Stewart, 2014) concludes that although corruption is widespread in the region, multinational firms can indeed contribute towards a virtuous cycle by institutionalising ethical foundations rather than taking advantage of weak institutional arrangements to perpetuate corruption. This raises several questions: how can foreign firms, who often consider themselves as 'institution takers' in their host environments, appropriately respond to corruption? Are there any differences in approaches to anti-corruption between African, emerging market and western multinationals operating in the region? Do firms from Africa and emerging markets that might be used to operating in high corruption environments have an advantage over Western multinationals and others? Do African firms exploit their knowledge of institutional settings and turn it into a source of competitive advantage as they internationalize into locations with similar corruption environments or do they engage in institutional substitution into more advanced countries so as to minimise their further expose to corruption? (Luiz et al. 2017). More research is therefore warranted to address these questions and generate new insights on how firms can successfully 'instigate' change and manage ethically in corrupt environments.

Anti-Corruption, Transparency, and Governance

There is a substantial research agenda associated with corruption and governance in Africa and we only touch on a small number of these in the special issue. Governance itself is multidimensional. Research points to the relationship between corporate governance, business ethics, corruption, and the broader institutional setting within countries (Agyei-Mensah, 2017). This body of work maintains that corporate governance practices cannot be imposed by fiat but nor does it exist within a vacuum. It argues that

corporate governance on its own is not a panacea for all corporate ills but if bolstered by ethical values it can reduce corruption to the exception rather than the rule (Sullivan et al. 2013, p. 2). Solutions therefore require the active engagement of business, civil society, and governments to work together. We encourage management research to be part of the solution and to highlight how businesses can contribute towards these anti-corruption initiatives. New social contracts are needed on the continent that recognize that corruption involves multiple stakeholders and that an institutionalised response will need to be based upon the principle of reciprocal obligations (Luiz, 2014; Zoogah & Zoogah, this issue).

Addressing corruption in Africa has to recognize that it cannot be done in isolation and that it is not solely the responsibility of governments, but requires a comprehensive response of institution building embedded in local social-cultural logics, and a renewed ethical approach to business. While this requires sustained hard work over a long period of time, particularly for countries lagging behind in their anti-corruption and governance efforts, there is some good news. Ngobo and Fouda's (2012, p. 435) cross-national study of governance in 21 African countries shows that 'an improvement of good governance in countries currently with low levels of governance ratings has greater positive effects on the firm profitability than a similar improvement in countries with relatively higher ratings of good governance.' (Ngobo and Fouda, 2012, p. 435). Good governance, transparency, and anti-corruption initiatives are critical to achieving the Sustainable Development Goals (SDGs), and yield long-term benefits for business and society (Mishra and Maiko, 2017). Future research should provide insights on anti-corruption measures that appear to be effective, as well as appropriate data collection and analysis techniques for evaluating and monitoring anti-corruption reforms and programmes.

Philanthropy, Social Entrepreneurship, and Impact Investing in Africa

That's not to say that Western investors should stay away from Africa or that all philanthropy must be homegrown. Africa still needs outside capital and expertise, and lots of it. Yet we'll know that Africa is truly rising not when bigger, glitzy projects arrive, but when there is a flowering of a multitude of impactful entrepreneurs and enterprises. (Amaeshi, 2015, p. 3)

There is a growing realisation that home-grown solutions are needed to tackle Africa's grand challenges and this theme is taken up by Hamann, Makaula, Ziervogel, Shearing, and Zhang (this issue) who explore the role of the private sector in this regard. This notion of shared responsibility and collective action is captured in Agenda 2063 of the Africa Union whose guiding vision is 'to build an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena' (African Union, 2015, p. 2). At the core of Agenda 2063 vision is the idea of self-reliance, self-sufficiency, and a spirit of both individual and collective agency. Philanthropy and social entrepreneurship are at the heart of Africa's inclusive and transformational development agenda as it promotes self-reliance and self-sufficiency. The role of individual citizens and business organisations as entrepreneurs, investors, and philanthropists is rooted in the African values of collective responsibility (Owusu-Ansah and Mji, 2013), what can be termed as African mutual social responsibility, akin to the contemporary concept of CSR (Muthuri and Gilbert, 2011).

The Rise of African Philanthropy

A new golden age of African philanthropy is dawning (Adeleye et al. 2019). The *Financial Times* recently published a special report on African Philanthropy, featuring Africa's wealthy class, including Prince Yemisi Shyllon, Mo Ibrahim, Patrice Motsepe, Aliko Dangote, and Jim Ovia, who support through their foundations a broad range of issues, from education, to arts, health and governance. It is not only the wealthy that are giving; five African countries are ranked in the top ten of the World Giving Index's measure of giving help to strangers, with Africans generally giving more than those in other regions (Adeleye et al.

2019). A new philanthropy support ecosystem is emerging, with the recent establishment of The African Philanthropy Forum, the African Venture Philanthropy Alliance, and The African Centre for Philanthropy and Social Investment at the University of Witwatersrand, South Africa, to name but a few.

These positive developments should really not be surprising, as philanthropy has historically been part of the Africa cultural values, traditions and practices (Moyo, 2010; Visser, 2006). African philanthropy is enshrined in different philosophical thoughts that emphasise community, solidarity, sharing and reciprocity (Muthuri and Gilbert, 2011). The practice of African philanthropy, sometimes referred to as ‘the philanthropy of community’ is the essence of being human — our humanity towards others (Moyo, 2010, p. 2). As Moyo observes, Africans tend to define themselves in relation to others, and this sense of community-mindedness, a spirit of unquestioning cooperation, and a willingness to build relationships, characterise the universal bond of sharing between the philanthropic givers and recipients in Africa (Mottiar and Ngcoya, 2016).

The concept of ‘philanthropy’ means different things to different people in different contexts (Daly, 2012). As Moyo (2010) argues, the Western terminology of ‘philanthropy’ reflects more the institutionalised formal practices which may not cover the scope and reach of the indigenous African philanthropic practice which is deeply embedded in communities. We contend that African philanthropy shares different ontological and epistemologies with the popular Western philanthropy concept, including the nature of philanthropy and philanthropic exchanges (Harrow, 2010). More research is needed to unpack the concept of African philanthropy, and to identify its unique characteristics (and similarities) relative to Western or Asian philanthropy. Based on what we know, however, in the popular Western traditions, philanthropy was a desired responsibility and an expectation of citizens, including corporate citizens to give back to society guided by unmet public needs (Carroll, 1998). In contrast, philanthropic giving in the African context was a form of communion and therefore an expected responsibility of all community members, who are expected to use their private resources for the common good, irrespective of their economic status (Visser,

2006; Mottiar and Ngcoya, 2016). However, this appears to be changing with the American and European philanthropic ethos permeating into African cultures and organizational practices.

Research and scholarship should also help us understand the nature, purpose and impact of newer forms of philanthropy as practiced across different contexts of Africa, which have unique and distinct socio-economic, political and cultural realities. Scholarly research, taking historical or comparative perspectives, can help us to better understand the environment that enables these new forms of innovations and practices to emerge and diffuse, how social initiatives and enterprises can be made more sustainable, as well as how to measure the societal impact of philanthropy. With the devolution in the research on corporate philanthropy in the broader conceptual literature, as a result of the perception that it is ‘an old-fashioned and ineffective operationalization of a firm’s corporate social responsibility’ (Liket and Simaens, 2015, p. 285), African philanthropy has the potential to take the lead in advancing this field of research. As highlighted above, this must begin with research that focuses on the social outcomes or societal impact of philanthropy, not just business or strategic outcomes. There is also a need for multi-level research that analyses the interplay between individual-, organisational-, and institutional-level variables that impact corporate philanthropy (Liket and Simaens, 2015).

Social Entrepreneurship and Impact Investing in Africa

The nascent fields of social entrepreneurship and impact investment have become appealing constructs and attractive approaches for addressing societal challenges in Africa. They have garnered a lot of attention in the last ten years with many universities and business schools in Africa now offering degrees and courses on related topics, perhaps driven by the need to create and mould social change agents (Hochstadter and Scheck, 2015). The paper by De Avillez, Greenman, and Marlow (this issue) demonstrates the importance of context in theorising social entrepreneurship.

Social entrepreneurship has gained traction going by the numbers of social enterprises set up in Africa that help catalyse innovative ideas and practice (Littlewood and Holt, 2018; Alvord et al. 2004). There is evidence of growing efforts towards cultivating entrepreneurial culture and practice in Africa; for example, more dedicated grant funding (e.g. The Africa Social Enterprise Fund); capacity building initiatives (e.g. Tony Elumelu Foundation Entrepreneurship Programme for Africa); and dedicated entrepreneurial awards (e.g. African Innovates for the SDGs). Similarly, many players, including banks, institutional investors, pension funds, insurance companies, fund managers and asset management funds, development finance institutions, institutional and family foundations, and private equity managers have entered the growing impact investment market to provide their clients with investment opportunities or to leverage their assets (UNDP, 2015).

Resource mobilisation for social entrepreneurship continues to benefit from the Africa community-based microfinancing tradition of rotating savings and credit associations — a parallel system to formal banking and financial services. Other forms of capital, like web-based investment platforms for crowdfunding (for example, Gogo-Afrika and Ventureburn) are gradually emerging across the continent. Impact investment, a subset of socially responsible investment, provides capital to address intractable challenges in Africa, generating social and environmental impact in addition to financial gains. The injection of private funding to complement public spending holds significant promise for the funding of inclusive and green businesses, particularly in sectors such as healthcare, housing, renewable energy, and education where many African governments are unable to deliver the public goods (UNDP, 2015).

The future of social entrepreneurship and impact investment is promising but a number of challenges facing these nascent fields need to be addressed urgently: (1) unclear and unsupportive regulatory and policy environment that stifles social entrepreneurship and impact investment (Littlewood and Holt, 2018); (2) challenging climate of doing business characterised by poor infrastructure, unreliable electricity, corruption, bad internet connectivity (Smith and Darko, 2014); (3) lack of viable investments with good social, environmental and economic returns; (4) limited capital supply, innovative fund and deal structures;

(5) poor visibility and credibility of social enterprises in Africa; (6) poor linkages between social entrepreneurs, investors and academic networks; and (7) limited impact measurements (UNDP, 2015; Smith and Darko, 2014).

Debates persist on the expectations of philanthropy, social entrepreneurship, and impact investment (Rivera-Santos et al. 2014; UNDP, 2015), the evolving relations between philanthropy and government in the provision of public goods (Jung and Harrow, 2015; Valente and Crane, 2010), and the impact and sustainability of these practices (Muthuri et al. 2012). It is surprising that the experimentation with venture philanthropy (Van Slyke and Newman, 2006; Spiess-Knafl and Aschari-Lincoln, 2015), corporate philanthropy (Muller et al., 2014; Muthuri, 2008), corporate humanitarian investment (Van Cranenburgh and Arenas, 2014), and responsible investment outside of the South Africa context (Heese, 2007) has received little academic attention and remains an under-studied area. This is in spite of the different ethical, governance, strategic and operational challenges that arise when non-state actors engage in ameliorating societal problems in many African countries with institutional voids. These changes advance new state and non-state actors' relationships, and set new boundaries for private and public responsibilities in the provision of the public good, which raises a number of legitimacy, accountability, effectiveness, capacity, regulatory and democratic governance concerns that scholars ought to pay more research attention. Social entrepreneurship, in particular, warrants further empirical investigation, as there appears to be an unquestioning acceptance of its positive role and benefits. As Chell et al. (2016, p. 619) aptly put it in their analysis of social entrepreneurship and business ethics: 'Does social equal ethical?'

Overview of the Special Issue Articles

The special issue on advancing research, practice and teaching of business ethics in Africa includes eight papers and this introductory paper. In several ways, the papers reflect the multiple diversities that characterise Africa. All the five regions of Africa are represented, with papers covering Egypt, Botswana,

Mozambique, South Africa, Kenya, Nigeria, Ghana, and DR Congo. This group also covers the four main linguistic groups — Anglophone, Francophone, Lusophone, and Arabophone, which reflect the colonial legacy. The special issue reflects the commitment of the *Journal of Business Ethics* to broadening its intellectual base, with contributions from across a wide range of business and social science disciplines, from leadership and organization behaviour, to industrial and organizational psychology, strategic management, entrepreneurship, and corporate responsibility and sustainability. The contributions directly address the issues and questions raised in our review of four broad themes above, employing a variety of methodological approaches: conceptual and theoretical, as well as qualitative and quantitative papers.

The first paper of this special issue — *This Time from Africa: Developing a Relational Approach to Values-driven Leadership* — by Perezts, Russon, and Painter, exemplifies our three-pronged approach of advancing business ethics research, practice and teaching. Leveraging the concept of *Ubuntu*, they expand current theorising on relational ethical leadership, at the same time making important African-inspired pedagogical contributions to the topical issue of cultivating ethical leadership development. The authors identify and explore four principles of ethical relational leadership from an African *Ubuntu* perspective: interdependence, relational normativity, communality, and unethical leadership as a failure to relate. Unlike many papers on the subject that tend to focus narrowly on theoretical or philosophical analysis of *Ubuntu*, they show us how to translate these principles into practice, drawing insights from a pan-African executive education course — Values-driven Leadership into Action — offered in South Africa, Kenya, and Egypt. The authors provide a credible and authentic alternative to Western philosophical conceptions which have hitherto dominated the leadership development literature.

In the second article — *A Model of Virtuous Leadership in Africa: Case Study of a Nigerian Firm* — Adewale develops an indigenous model of leadership, arguing that Africa's most critical need in addressing her developmental challenges is virtuous leadership, built on sound ethical and moral foundations. Like the first paper, the author avoids providing just theoretical and philosophical analysis in explaining what

virtuous leadership should look like within Africa's complex and challenging context, drawing insights from a Nigerian case study. Exploring the African ethic of Afro-communitarianism, Adewale identifies four primary virtues that have sustained leadership effectiveness: truthfulness, courage, humility and humanity. Another interesting finding is that when leaders demonstrated these four virtues in the workplace, it positively shaped employees' ethical and moral reasoning, albeit with some challenges. With its strong practitioner-orientation, this study illustrates the applicability and effectiveness of ethical leadership rooted in African virtue ethics.

Aju and Beddewela, in the third paper — *Afrocentric Attitudinal Reciprocity and Social Expectations of Employees: The Role of Employee-centred CSR in Africa* — draw on psychological contract and social exchange theories to explain the complex dynamics of employees' social expectations. This conceptual paper is somewhat unique as it extends the discourse on African ethics beyond *Ubuntu*, which has dominated the literature for several decades. Inspired by the ethical ideology of the Yoruba and reciprocity ideology of the Esan, two Nigerian ethnic groups, the authors develop an Afrocentric Employee-centred CSR and social exchange model that proposes management and organisational practices for meeting employees' expectations. This article makes an important contribution to the literature on employee engagement and CSR, as well as motivation and employee voice, areas that have not received sufficient attention in the African management literature. It also provides important policy implications, with its strong emphasis on the need to incorporate socio-cultural requirements to the policy formulation process.

In the fourth paper — *Benevolence and Negative Deviant Behaviour in Africa: The Moderating Role of Centralization* — Zoogah and Zoogah bring a cultural perspective, which is often overlooked, to the discourse on Negative Deviant Behaviour (NDB). The authors introduce ethnos oblige theory, which is particularly relevant to African collectivistic cultures, to explain how 'benevolence' pressures members of an ethnic group to show generosity and dependability towards fellow ethnic group members. Specifically, they propose that centralization of ethnic norms moderates the relationship between benevolence and NDB.

Analysing quantitative data collected from employees in public and private sector firms in Botswana and Ghana, the authors find support for three-way interactions, with the relationship between benevolence and NDB moderated by centralization and culture. Their findings have important practical implications for dealing with unethical workplace behaviours arising from ethnic obligations. Methodologically, the paper makes important contributions relevant to future African management and organization research: the need to demonstrate measurement invariance, as well as the unique environmental effects of theoretical, conceptual, and empirical models; and the importance of testing the applicability of scales developed outside African contexts, and developing new scales that are well-suited to African contexts.

The business ethics literature has tended to focus on the demerits of informal workers who labour under extremely poor working conditions, with low income or wages, and with insufficient protection. The fifth paper, by Etambakonga and Roloff — *Protecting Environment or People? Pitfalls and Merits of Informal Labor in the Congolese Recycling Industry* — advances an alternative narrative of the merits of informal labour in contexts with institutional voids, by focusing on the so-called ‘voiceless workers’ who offer waste collection and recycling services in Congo. The authors demonstrate how informal and formal waste workers, as well as the formal waste entrepreneurs in Kinshasa, adopt survival strategies to uphold waste management, enable recycling, create jobs and support the livelihoods of thousands of urban dwellers whilst dealing with the complexities surrounding their well-being, security and the natural environment. The qualitative study reveals the complex and enmeshed nature of formal and informal business interactions in Africa, and challenges the dichotomy between the ‘formal economy’ and the ‘informal economy’ in the business and entrepreneurship literature.

In the sixth paper — *Strategic Responses to Grand Challenges: Why and How Corporations Build Community Resilience* — Hamann, Makaula, Ziervogel, Shearing, and Zhang, explore why and how private sector players might seek to make combating grand challenges a core part of their strategy, as opposed to less commitment-intensive and less resource-demanding contributions to worthy causes. This

is an especially important issue given the massive social, economic and environmental challenges confronting Africa, and the increasingly catalytic role businesses are expected to play in achieving the SDGs — especially in countries with ‘institutional voids’ and ‘limited statehood’. Drawing insights from a qualitative case study of four South African firms, the authors develop a process model comprising of three sets of practices: exploring, focusing and partnering, and contributing directly or indirectly, as well as three contingent factors that motivate these three practices. The paper makes an important contribution to the literature on community resilience by expanding resource-based and institutional theorising to include the salient role of social-ecological system viability and institutional complexity in shaping firms’ responses to grand challenges.

In the seventh article — *Corporate Political Strategies in Weak Institutional Environments: A Break from Conventions* — Liedong, Aghanya, and Rajwani challenge the assumption that Western-oriented corporate political activity has universal application, providing a nuanced description and theorisation of the practice in Nigeria. Using the Nigerian banking sector as an empirical site, the authors found that firms executed four context-fitting but ethically problematic strategies: affective, financial, pseudo-attribution and kinship. These strategies enabled the banks to maintain mutually beneficial and reciprocal relationships with politicians and policy makers. Based on these novel insights, they extend the CPA literature by demonstrating that CPA strategies manifest in different ways in different contexts and they are not morally neutral, as often presented. The paper also contributes to the CPA literature by highlighting the fact that enacting ‘sophisticated’ CPA strategies is not the preserve of senior managers only, as ‘ordinary employees’ can also enact them.

De Avillez, Greenman, and Marlow, in the eighth and final paper of this special issue — *Ethical Judgments about Social Entrepreneurship in Sub-Saharan Africa: The Influence of Spatio-Cultural Meanings* — draw upon the onto-epistemology of process theory to explain the importance of process in exporting and filtering of social entrepreneurship practices in Sub-Saharan African contexts. The authors provide insights

into how multiple modes of values articulation work (i.e. embracing, rejection, and integrating), emerge and influence ethical judgements about practices that are considered as good, ethical and desirable, based on qualitative data collected over a four-year period in Mozambique. They discovered during their fieldwork that participants integrated locally-rooted meaning and global practices when making ethical judgements. For example, contextual dynamics such as poverty and ethnic identity shape individuals' meanings about social entrepreneurship that is quite different from the predominant rhetoric in the global North, which promotes social entrepreneurs as heroic individuals capable of generating social and economic value. The authors succeed in challenging assumptions in the extant literature that there exists a universal social entrepreneurship phenomenon, and make a strong argument for the need to integrate context in normative social entrepreneurship theorising, as well as when designing strategies for implementing social entrepreneurship.

Concluding Remarks

Business ethics in Africa — as a field of research, practice, and teaching — is maturing, and we believe this special issue will make significant contributions to move the discipline forward. As our review has illustrated, Africa presents immense opportunities for advancing business ethics, and it is a fertile ground for building and expanding theories — with its unique conditions and alternative paradigms of social relationships (Barnard et al. 2019a; Hamann et al. 2020). Given the sheer scale of ethical and sustainability challenges facing many organizations, industries and countries on the continent, researchers need to continue to provide evidence-based insights for practitioners and policymakers. More attention also needs to be paid to smaller, entrepreneurial firms and informal economy players, as they account for an increasing share of economic activities in many countries. Methodologically, there is a need for more large-scale quantitative studies, which is becoming increasingly less difficult as reliable quantitative databases with African data are now available (Kolk and Rivera-Santos, 2018). As we observed earlier, the extant literature mostly covers the larger, Anglophone economies; to get a fuller picture of business ethics in Africa, there is a need for more research coverage on the smaller economies, and Francophone countries. The papers in

this special issue have attempted to fill these voids, and we hope they stimulate further research on the rich and dynamic African context. Business educators have a major role to play in building an ethical workplace culture in Africa, and business schools need to rise to their ‘academic social responsibility’ (Adeleye et al. 2011). We therefore encourage scholars and educators to find creative ways to integrate business ethics research, practice and teaching, and to embed ethics, humanistic management, and sustainability in their curricula (Mishra and Maiko, 2017; Lutz, 2009; Adeleye et al. 2011; Amaeshi, et al. 2019).

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